construed more or less strictly against the adopted child. The Oregon court has held that a decree of court in the manner prescribed is necessary to adopt a child. *Ferguson* v. *Jones,* 17 Ore. 204, 20 Pac. 842, 3 L. R. A. 620, 11 Am. St. Rep. 808; *Non-She-Po* v. *Wa-Win-Ta,* 37 Ore. 213, 62 Pac. 15, 82 Am. St. Rep. 749.

BANKRUPTCY—EQUITABLE RIGHTS UNDER UNRECORDED MORTGAGE—AGREEMENT TO INSURE—EQUITABLE LIEN ON INSURANCE MONEY.—In September, 1901, Ira Hicks, the bankrupt, entered into an oral agreement with Holbrook & Hunter for the purchase from them of certain real estate for saw-mill purposes. No deed of conveyance was made, but Hicks was to have certain mill privileges upon the land, the agreement being that a deed should be given when payment was made. The mill was built and run for more than a year when it was burned and most of the mortgaged property destroyed; the remnant being sold by the trustee for $225.00. The mill and machinery were insured for $2,500.00. The insurance was adjusted at $2,150.00. The following claims were presented: (1) that of Mrs. Young for money lent, secured by a mortgage upon the mill property and a policy of fire insurance for $1,000.00 in which she was named as beneficiary. Her mortgage for $600.00 was not recorded as prescribed by law and was not valid; (2) the claim of Blake & Company to an equitable lien on part of the insurance money. Hicks had bought his machinery of Blake & Company, with the understanding that the title should remain in the vendor till paid for, and also that Hicks keep it insured for the vendor's benefit. This was done, but subsequently, without the knowledge of Blake & Company, Hicks had the policy changed in favor of his wife; (3) the claim of Mrs. Hicks upon this policy was rejected; (4) the vendors of the land also claimed a lien upon the money by virtue of the statute, and on the further ground that Hicks had promised to insure for his benefit. *Held* (1) (a), that Mrs. Young's claim could not be enforced against the fund derived from the sale of the remnants of the mortgaged property, (b) but that she had an equitable lien upon the insurance policy to secure her claim; (2) (a) that Blake & Company had no claim to the $225.00, but that they had an equitable lien upon the insurance funds to the extent of their claim; and that the vendor of the land had an equitable lien on the balance of the insurance money. *Hanson* v. *W. L. Blake & Company et al.* (1907), — D. C., D. Me. —, 155 Fed. Rep. 342.

If the decisions in the federal courts touching matters relating to rights under unrecorded mortgages and conditional sales are not in conflict, they are at times misleading. In *Humphrey* v. *Tatman,* 198 U. S. 91, 25 Sup. Ct. 567, 49 L. Ed. 956, the facts were as follows: Two years prior to his bankruptcy, one Davis executed to Humphrey a mortgage on his present and after-acquired stock in trade and fixtures; the mortgage not being recorded. Within a month of Davis's petition in bankruptcy, Humphrey, fearing insolvency, took possession of the goods. The trustee brought an action to recover the alleged preference. The court said, "whether the taking possession of after-acquired property within four months of the filing of the petition in bankruptcy, under a mortgage made in good faith prior to that

period, is good or is void as against the trustee in bankruptcy, depends upon whether it is good or void according to the law of the state." The case turned on the question of the mortgagee's having taken possession of the property, and the court thought there had been such as to satisfy the statute. And in *Thompson* v. *Fairbanks,* 196 U. S. 516, it was held that the question whether, and to what extent, a chattel mortgage, which includes after-acquired property, is valid, is a local and not a federal question, and in such a case this court will follow the decisions of the state court; (syllabus). But in *James* v. *Gray,* 131 Fed. 401, the court held that a lien by a wife to her husband was provable as a debt against his estate in bankruptcy regardless of its enforceability under the laws of the state. The court said the contract was valid in equity (but it was not in the Massachusetts courts of equity) which the courts of bankruptcy must follow; there was no diverse citizenship. ALDRICH, D.J., dissented on the ground that the holding would establish two rules of property within the state, a condition which he thinks is not in harmony with our theory of government. In *Tucker* v. *Curtin,* 148 Fed. 929, the facts were these: the bankrupts were partners under the firm name of Frederick M. Tucker & Co., doing business as stockbrokers in Boston. Tracy H. Tucker, one of the bankrupts, was the husband of Gertrude H. Tucker, appellant. All the parties lived in Massachusetts and the transactions took place there. Frederick M. borrowed of the appellant Gertrude certain corporate stocks and assigned to her a seat in the N. Y. Cotton Exchange as security. It seems that this was the individual debt of Fred M. and although the seat on the exchange was apparently partnership property, Mrs. Tucker took it without knowledge of the fact. The trustee sold the seat free from all liens by order of the court, and Mrs. Tucker filed a claim to be allowed out of the proceeds thereof the value of the corporate shares lent to Fred M. Tucker. Her claim was disallowed by the referee on the ground that the corporate shares were given her by her husband, which made the gift invalid by the Massachusetts statute, as against the claims of creditors. The Circuit Court of Appeals reversed the decision and refused to follow a Massachusetts case, saying "even if not overruled, it is plain that the principles therein announced have not been continuously and consistently applied by the Supreme Court of Massachusetts." ALDRICH, J., dissented on the ground that the decision ignores the Massachusetts rule of property. In support of his position, he cited *Lumber Co.* v. *Ott,* 142 U. S. 622, which seems to sustain him. It would seem that the principal case follows the better rule as established by the federal courts touching rights under unrecorded mortgages, conditional sales, etc. A covenant in a mortgage to keep the mortgaged premises insured for the benefit of the mortgagee creates a specific equitable lien upon the insurance money which is valid as against the assignee. *In re Sands Ale Brewing Co.,* Fed. Cas. 12307.

BANKRUPTCY—INSOLVENT FIRM—INDIVIDUAL ESTATE OF UNADJUDICATED SOLVENT PARTNER NOT SUBJECT TO ADMINISTRATION.—The court of bankruptcy found that M. S. & J., doing business as the Opera House Drug Company,